

Retirement and Benefits

Voluntary Retirement Incentive Program

Human Resources

Introduction

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Agenda

1. Voluntary Retirement Incentive Program
2. Pre-Retirement Checklist
3. Carleton Pension Plan
4. Pension Planner demonstration
5. Government Plans
6. Retiree Benefits

VOLUNTARY RETIREMENT INCENTIVE PROGRAM

Application process

- Eligible employees have received an email from Human Resources
- Applications are open until January 31, 2025, and can be withdrawn up to that date
- Applicants will be notified by end of February of approval/decline

Benefits in Retirement

- VRIP does NOT change any of your entitlements in retirement

VOLUNTARY RETIREMENT INCENTIVE PROGRAM

If Approved

- Must retire and commence payments from Carleton pension
- Last working day must be in 2025

Payment

- Gross payout will be your base salary, calculated at the time of retirement
- Lump sum will be paid on the first pay period following retirement
- Subject to applicable taxes
- May choose one payment in 2025 and remaining payment paid by the last pay in January 2026
- Cannot defer past January 2026
- Option to contribute to RRSP (onus is on the employee to determine available contribution room)

[FAQ: Voluntary Retirement Incentive Program \(VRIP\) - VRIP](#)

IF YOU ARE CONSIDERING THE VRIP

- Use the self-serve online planner: [Seclon: Login Page](#) to obtain a pension estimate ([Retirement-Planner-User-Guide-2023.pdf](#))
 - Your pension estimate will indicate if your pension will be based on the Minimum Guarantee Pension or the Money Purchase Pension
- Review the pension plan payment options
 - Normal Form
 - Life Guaranteed – 10 or 15 Years
 - Life Only
 - Joint Life Survivorship
- Government Plans
- Carleton Retiree Benefits

IF YOUR VRIP IS APPROVED

- Seek advice of a financial advisor/planner
- Obtain a copy of the retirement checklist: [Retirement-Checklist-VRIP-v1.1.pdf](#)
- Complete the Pension Package: [Pension Package All](#)
- Submit the Pension Package using the [Pension Documents Submission](#) portal.

CARLETON PENSION

Pension Calculation

Money Purchase Pension Calculation

▪ A pension is calculated from the total balance to your credit in your MPC, based on the actuarial tables

▪ Minimum Guarantee Pension Calculation

Your years of Credited Service is multiplied by the sum of:

1.29% of the average of your highest 5-years' pensionable earnings up to the 5-year average of the YMPE

Plus

2% of the average of your highest 5 years' pensionable earnings in excess of the 5-year average of the YMPE

If retiring before the Normal Retirement Date (NRD), and if your pension payments will be based on the Minimum Guarantee Pension Calculation, there will be an actuarial reduction for every month prior from the NRD. The pension estimate will include this.

CARLETON PENSION

Normal Retirement and Early Retirement

Normal Retirement Date (NRD)

- Your NRD is the July 1st that is closest to your 65th birthday
- If you are born between July 1 and December 31st you will be eligible to retire a little bit before you turn 65
- If you are born between January 1 and June 30th you will have to wait until after your 65th birthday to receive your full retirement benefit

Early Retirement

- Early retirement is permitted on attainment of age 55 or 10 years prior to your NRD.
- Pension calculations are actuarially adjusted to reflect that you are retiring prior to NRD

CARLETON PENSION

Pension Estimate

- You can obtain pension estimates online using the retirement planner at [Login Page \(carleton-ret.ca\)](https://carleton-ret.ca)
- Follow the [retirement planner guide](#) for detailed instructions
- Your pension estimate will determine if your pension will be based on the Minimum Guarantee Pension or the Money Purchase Pension
- *NOTE: If you are receiving less than full salary or working beyond your NRD, some of the amounts shown may be overstated or understated. In the event of a breakdown of a spousal relationship, the amounts indicated in this statement could be reduced. In these case, the pension team will run a pension quote for you.*

Pension Estimate Sample

To finalize your retirement, you will need to make a selection on the “form of pension” that you would like.



Once selected the form of pension can never be changed.

PROJECTED BALANCES AT PENSION COMMENCEMENT DATE

		Protected	Not Protected	Total
Service	Projected Credited Service (months)	240.00	180.00	420.00
	Past Service (months)	0.00	0.00	0.00
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Account Balances	Money Purchase Component	\$323,107.36	\$206,503.56	\$529,610.92
	Transferred / Past Service	\$0.00	\$0.00	\$0.00
	Non-Locked-In AVC	\$0.00	\$0.00	\$0.00
	Locked-In Transfer AVC	\$0.00	\$0.00	\$0.00
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Total		\$323,107.36	\$206,503.56	\$529,610.92

Birth
7/1/1956

Spouse
Yes

Spouse's birth
7/1/1958

Current salary
\$100,000

Hire date
7/1/1983

Membership date
7/1/1983

AVC Contribution
0.00%

Part-time percent
100%

Retirement age
62.00

Projected average earnings
\$90,000

Projected YMPE Average
\$53,960

Inflation
0.00%

Investment return
0.00%

Salary increase
0.00%

AVC Lump Sum
\$0

PROJECTED MONTHLY GROSS PENSION BENEFITS

The Projected Balances at Pension Commencement Date above and the Minimum Guarantee provisions are estimated to produce the pension amounts below. Your pension may be taken in one of the following forms:

Forms of Pension	Protected	Not Protected	Total	
Joint Life, 60% to Spouse:	\$2,110.37	\$1,383.96	\$3,494.33	
Joint Life, 100% to Spouse:	\$2,008.95	\$1,317.46	\$3,326.41	
Joint Life, 100% with 15-Year Guarantee:	\$2,004.78	\$1,314.71	\$3,319.49	
Single Life Only:	\$2,283.24	\$1,497.34	\$3,780.58	
Single life, 5-Year Guarantee:	\$2,271.21	\$1,489.44	\$3,760.65	
Single life, 15-Year Guarantee:	\$2,195.87	\$1,440.04	\$3,635.91	
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Early Retirement Supplements	\$431.36	\$0.00	\$431.36	

Your basic pension is projected to be a Minimum Guarantee Pension.

New mortality table: the planner has been updated to include the new mortality table effective for pensions commencing after July 1, 2016. For more information regarding the effect of the new mortality table on your pension, please refer to the following website <http://carleton.ca/hr/2015/retirement-plan-mortality-table-update/> or call the pension office in Human Resources.

CARLETON PENSION

Pension Estimate

Live Demonstration: [Login Page](#)

CARLETON PENSION

Forms of Pension

- Normal pension – The normal form of pension is payable for your lifetime and guaranteed for a minimum of five years
 - If you die after your retirement but before receiving 60 monthly payments, the balance of the guaranteed payments will be paid to your beneficiary
- Single Life only - Payable for your lifetime only and stops on your month of death regardless of the number of payments that have been made

NOTE: pensions are subject to change annually based on pension fund performance. Calculations are for illustration purposes only

CARLETON PENSION

Forms of Pension

- Life Guaranteed 10 or 15 yrs – Payable for your lifetime, except that a minimum of 120 or 180 monthly payments are guaranteed
- Joint and Survivor – Payable for your lifetime with part or all of the benefit continuing to your surviving spouse after your death

NOTE: pensions are subject to change annually based on pension fund performance. Calculations are for illustration purposes only

CARLETON PENSION

Form of Pension

Single Life examples

FORM	Start Date	Death	Effect on Pension
Normal (Life/5) <ul style="list-style-type: none">10 & 15 yr. options also available	July 1, 2025		
	\$1,000	June 15, 2026	4yrs (\$48K) payable to beneficiary*
		June 15, 2030	Ends month of death

*Beneficiary has the option to receive a lump sum payment, subject to statutory deductions, or continue with the remaining monthly payments

CARLETON PENSION

Form of Pension

Joint Life examples

FORM	Start Date	On Death	Effect on Pension
Joint & 60% co-annuitant	July 1, 2025		
	\$900	Spouse dies	Member continues to get \$900 for life
	\$900	Member dies	Spouse gets \$540 for life; if spouse is not alive, pension ends

CARLETON PENSION

Form of Pension

Joint Life examples

FORM	Start Date	On Death	Effect on Pension
Joint & 60% Survivor <ul style="list-style-type: none">• Pension reduces on either death	July 1, 2025	Spouse dies	Member continues to get \$546 for life
	\$910	Member dies	Spouse gets \$546 for life; if spouse is not alive, pension ends

CARLETON PENSION

Form of Pension

Joint Life 60% to Spouse – 15-yr guarantee

Pension	Death	Effect on Pension
\$1,000	Pensioner dies after 1 yr	Spouse receives \$1,000 for 14 years and then pension reduces to \$600 for rest of life
\$600	Pensioner dies after 17 yrs	Spouse gets \$600 for rest of life
Lump sum	Both die after 5 years	Beneficiary receives \$120K ($\$1,000/\text{month} \times 12 \text{ months} \times 10 \text{ years}$) to satisfy the guarantee period
\$1,000	Spouse dies first	Pensioner continues to receive \$1,000 per month for life

GOVERNMENT PLANS

CPP

[Canada Pension Plan](#) (CPP): Contributory Pension, you must apply
CPP monthly maximum for [2024](#) is \$1,364.60

- Normal Retirement Date: age 65
- Early Retirement Date: age 60 with 0.6% per month penalty (36% maximum penalty)
- Later Retirement: 0.7% per month increase to pension (42% maximum increase) until age 70

- Child-rearing provision: allows you to maximize your CPP if you took time off work to raise a child. You must apply for this provision when you apply for CPP, apply on- line or use the attached form: [Child-Rearing Provision](#)

- Apply for your CPP early: [Canada Pension Plan - Apply - Canada.ca](#)

GOVERNMENT PLANS

OAS

[Old Age Security](#) (OAS): Non-Contributory plan, automatic enrolment, but may be requested to apply under certain circumstances

- [OAS maximum](#) for ages 65 to 74 is \$713.34
- OAS start date: age 65
- Deferring OAS: You may defer payments until age 70. Payment increase by 0.6% per month (36% maximum increase) until age 70
- Must have lived in Canada for minimum of 10 years since age 18. To receive the maximum benefit must have lived in Canada for 40 years since age 18. Otherwise prorated.
- [Claw-back](#): if you have income greater than \$90,997 (2024) you must repay part or the entire OAS payments. Not eligible if income is \$148,065

GOVERNMENT PLANS

Guaranteed Income Supplemental to OAS

[GIS](#): Provides a non-taxable benefit to OAS pension recipient who have a low income and are living in Canada, auto enrolment, but may be asked to enrol under certain circumstances

- GIS start date: age 65, must live in Canada and collect the OAS
- [Income caps](#) – depending on income and marital status thresholds, you may not be eligible

OTHER INFORMATION

Carleton Retiree Health Benefits

You may be eligible for some on-going benefits coverage through Canada Life depending on your coverage while working, number of years of service, employee group affiliation and whether you will be in receipt of an immediate monthly Carleton pension.

If you defer your pension or if you transfer funds out of the pension plan you will not be eligible for any retiree benefits.

Check for details: [Retiree Benefits - Human Resources \(carleton.ca\)](https://www.carleton.ca/human-resources/retiree-benefits)

Private Supplemental Retiree Benefits

- [Freedom to Choose™ health and dental insurance](#)
- [Retiree Benefits \(victorinsurance.ca\)](https://www.victorinsurance.ca)
- [RTO Dental Plan – RTOERO](#)

OTHER INFORMATION

Carleton Retiree Benefits

Basic & Optional Life Insurance

May convert to a personal policy, without evidence of insurability, within 31 days of your date of retirement. Your NRD is the July 1st that is closest to your 65th birthday. If you work past your NRD the eligible amount to convert is reduced.

Other Benefits

Access to Library & Athletic Facilities

Eligible for tuition waiver, conditions may apply

Membership in [Carleton University Retirees Association](#)

Retiring Allowance – Professional Services (CUPE 2424, CUPE 910, CUPE 3778 and non-union)

- If you have thirteen (13) or more years of continuous service at retirement you may be eligible to receive a retiring allowance (you must be in receipt of an immediate Carleton pension), equal to one week's salary for each year of continuous service – subject to applicable maximum.
- You can take a lump-sum payment, or transfer all or part of the retiring allowance to your personal RRSP, subject to limits.

OTHER INFORMATION

Notify Human Resources: to update a change in your marital status: marriage, divorce, separation, or to update your pension beneficiary

Other Resources:

[Retirement Hub \(Canada.ca\)](#)

Deciding when to start your retirement public pensions; learn about your retirement income choices;

[Employee Assistance Program](#) 1-800-668-9920

Our EFAP provider has resources/tools and offers financial advice to help guide your retirement deliberations.

These resources are available at [myFSEAP | FSEAP](#) (Password is Carleton).

- [Mid-life: Preparing for Retirement](#)
- [Lifestyle Changes: Retirement](#)
- [Financial Tools and Calculators](#)